

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, January 31, 2014

California Exposition & State Fair
Administration Building Boardroom
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Director Sonney Chong, Chair
Director David Mallel, Vice Chair
Director Rima Barkett
Director Rex Hime
Director Hallie Muller
Director Mark Nelson
Director Patrick O'Brien
Director Willie Pelote

Directors Absent:

Director Corny Gallagher

Ex Officio Members Absent

Senator Darrell Steinberg
Assembly Member Roger Dickinson
Assembly Member Susan T. Eggman
Senator Anthony Cannella

Staff Present

Rick Pickering, Chief Executive Officer (CEO)
Sonya Logman, External Affairs Director
Michelle Prater, Director, Marketing and Public Relations
Marcia Shell, Assistant General Manager, Operations (AGM)
Carrie Wright, Programs Director
Samantha Brown, Financial Officer (FO)
Greg Kinder, Deputy Manager, Programs
Paul Gillingham, Maintenance Operations Manager
Jan Risso, Contracts Manager
Nancy Koch, Exhibits Supervisor
Shauna Parrish, Expo Events
Candice Myers, Business Services
Mike Ward, Business Services
Bryan Wheeler, Event Services
Michelle Boosh, Event Services
James Bouchard, Maintenance
Joe Chase, Maintenance
Mike Glover, Maintenance
Dennis Govan, Maintenance
Rick Westervelt, Maintenance
Gilbert Malcomb, Maintenance
Dave Skiles, Maintenance
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Kevin Williams

Norm Towne, Consultant

Amber Williams, Glass Agency

Brian Honebein, Event Partnership, LLC

Jodi Moreno, Event Partnership, LLC

Nick Nicora, Ovations

Paul Davis, Ovations

Mona Foster, Cultural Advisory Council

Erika Bjork, Sacramento Republic Football Club

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Chong at 12:35 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Chong asked Michelle Prater, Director, Marketing and Public Relations to lead the Board, Staff and Guests in the Pledge of Allegiance.

Chair Chong read the Mission Statement, Policy Statement and Public Comment.

3. ROLL CALL

Roll call was taken by CEO Pickering and a full quorum was present. Director Gallagher was not present and asked to be excused.

MOTION:

It was moved by Director Hime and seconded by Director Pelote to excuse the absence of Director Gallagher. **All in favor, motion carried.**

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

5. PRESENTATIONS

- a. Presentation by the Board to Outgoing Chair, Director Willie Pelote

Chair Chong presented Outgoing Chair Willie Pelote with a Gavel Desk Set and Director's Chair on behalf of the Board.

Director Pelote thanked the Board and Staff for the recognition. Director Pelote enjoys working with Board and Staff and for all the support he receives.

- b. Presentation by the Board to Kevin Williams on Recognition of his Retirement from Cal Expo

Maintenance Operations Manager, Paul Gillingham presented Kevin Williams with a Golden Bear Award for recognition of his retirement and his 36 years of service at Cal Expo.

Kevin Williams thanked the Board and Staff and has seen many changes at Cal Expo and will miss his Cal Expo family. Mr. Williams will continue to support and attend the upcoming State Fair.

- c. Presentation by the Board to Jose Navarette on Recognition of his Retirement from Cal Expo

Jose Navarette was unable to attend the meeting.

Stephen Chambers, Executive Director, of Western Fairs Association presented the Board with the 2014 People Choice Achievement Award for the development of the CALIFORNIA letters at the Main Gate. This award was voted on by all attendees at the 2014 Western Fairs Association Convention held in Anaheim. He commended the Board, Staff, and Friend of the Fair for their work in saving the CALIFORNIA letters.

6. MINUTES OF MEETING

- a. Approve Board Meeting Minutes of December 13, 2013, as presented
- b. Accept Cultural Advisory Meeting Minutes of December 4, 2013, as presented
- c. Accept Cultural Advisory Meeting Minutes of October 17, 2013, as presented
- d. Accept Cultural Advisory Meeting Minutes of October 16, 2013, as presented
- e. Accept Cultural Advisory Meeting Minutes of September 19, 2013, as presented
- f. Accept Cultural Advisory Meeting Minutes of June 20, 2013, as presented

MOTION:

It was moved by Director O'Brien and seconded by Director Hime to approve and accept the meeting minutes 6b through 6f. **All in favor, motion carried.**

7. COMMITTEE AND STAFF REPORTS

- a. Horse Racing Committee Report . Vice Chair Mallel

Vice Chair Mallel reported a motion was made by the committee to bring back to the Board for approval the request to the California Horse Racing Board for three weeks of Thoroughbred Racing for the 2015 State Fair at the next Board meeting.

- b. Cal Expo Renewal Committee Report . Director Hime

Director Hime reported the committee recognizes there is a lot of work to be done and needs to have input from the full Board. We need to be able to provide the Board with some alternatives for what we would like to see the fairgrounds be in the future, and make sure the message is that we use the word fairgrounds in the future and we're not talking about selling Cal Expo, we're not talking about parceling it off, we're not talking about making it something that it isn't. We want to be Cal Expo today, tomorrow and into the future.

Director Hime reported Chair Chong asked Director Hime and Director O'Brien to serve as a sub-committee to work with Staff and to also work with the Department of General Services to modify the current Request for Proposal/ Request for

Qualifications removing any reference to the sale of property and to make sure that the Department of General Services signs off on the RFQ.

c. State Fair, Agriculture & Marketing Staff Reports

Carrie Wright, Programs Director reviewed her staff reports included in the Board's packet.

Carrie Wright, Programs Director reported Nancy Koch, Exhibits Supervisor had applied for a grant from the California Coastal Commission, and was recently notified that we will receive \$40,000 in grant funds.

Michelle Prater, Director, Marketing and Public Relations reviewed her staff reports included in the Board's packet.

Michelle Prater, Director, Marketing and Public Relations reported staff is focusing on the redesign of the website and expect the new website to be operational by mid-February.

Brian Honebein, Event Partnership, LLC provided an update and distributed a 2014 Sponsorship Revenue Report and is made part of the record. A copy for review is on file.

d. Operations & Planning Staff Reports

AGM Shell reviewed her staff reports included in the Board packet.

e. Finance & Audit Staff Reports

8. FINANCIAL REPORTS

- a. Contracts/Purchases Requiring Board Approval
- b. Contracts/Purchases Requiring Board Notification

FO Brown reviewed the Contracts/Purchases Requiring Board Approval included in the Board packet.

MOTION:

It was moved by Director Hime and seconded by Director Nelson to approve the Contracts/Purchases Requiring Board Approval. **All in favor, motion carried.**

FO Brown reported the year-end financial statements will be presented to the Board at the February meeting.

9. CONSENT CALENDAR

- a. For Board's Approval Staff Recommendations of New Member Appointments and Reappointments of Current Members to the 2014 Cultural Advisory Council

Motion:

It was moved by Director O'Brien and seconded by Director Hime to approve Staff Recommendations of New Member Appointments and Reappointments of Current Members to the 2014 Cultural Advisory Council. **All in favor, motion carried.**

10. CORRESPONDENCE

No items for consideration.

11. UNFINISHED BUSINESS

- a. Consideration of Further Revisions to the Free Speech Activities Guidelines+

CEO Pickering asked the Board to take this into consideration after Closed Session.

12. NEW BUSINESS

No items for consideration.

13. MATTERS OF INFORMATION

- a. Public Comments
- b. Manager Comments

CEO Pickering reported on the 2014 Western Fairs Association Convention and thanked Directors Chong, Mallel, Barkett and O'Brien for attending.

CEO Pickering reported Executive Staff continues their efforts on the planning of the 2014 State Fair, such as signage, programming, partnership, sponsorship, marketing and advertising.

CEO Pickering reported the Board was emailed the Compliance with Governor's Executive Orders-Conservation Report related to energy conservation and water

conservation. CEO Pickering thanked Paul Gillingham and Staff for the completion of the report.

CEO Pickering provided an update on the remodel of the Turf Club with Ovations and the California Authority of Racing Fairs.

CEO Pickering provided an update on the sports facility and Ovations and the Sacramento Republic Football Club are requesting the Board conduct another meeting on February 13th.

Director Hime asked if the Compliance with Governor's Executive Orders-Conservation Report made available to our local Legislators. CEO Pickering will have the report made available to our local Legislators.

Director Hime asked is there any kind reference in the report to the amount of money, energy expended and water expended, to sustain Bushy Lake with our water. Maintenance Operations Manager, Paul Gillingham reported no and is researching regulations and requirements that require us to provide Bushy Lake with water.

CEO Pickering reported on the concept of water conservation, there is a mandate that all State Agencies reduce their water use by 20%, particularly during this summer. Staff is looking at options to conserve water during the State Fair, noting that our grass, shrubs, and trees will suffer.

c. Director Comments

Director Muller looks forward to the 2014 State Fair.

Director Barkett really enjoyed attending the Western Fairs Association Convention and encourages other Board Members to attend.

Director Hime thanked Director Pelote for his leadership.

Chair Chong reported on the Board Members reappointments to the Standing Committees and looks forward to working with the Board.

Chair Chong thanked Director Pelote for his service as Chair.

Chair Chong looks forward to working with the Glass Agency and Ovations.

Chair Chong announced that Michelle Prater, Director, Marketing and Public Relations has taking a position in the private sector and is leaving Cal Expo.

d. Next Board Meeting . **Friday, February 28, 2014**

e. Other, if any

Cal Expo Volunteer, Randy Brink provided his report to the Board.

RECESS

The Board Meeting was recessed at 1:25 p.m. for Closed Session.

14. CLOSED SESSION

For purposes of discussing matters of 1) pending litigation, 2) real property negotiation and 3) personnel matters related to the General Manager under Government Code Section §11126. The Board will meet in Closed Session to confer with and/or receive legal advice from counsel or the represented delegate.

Closed Session commenced at 1:26 p.m. pursuant to Government Code §11126(e) to confer with and/or receive legal advice from counsel on:

- a. Cuvillo, et al. v. Cal Expo, et al.
- b. Personnel
- c. Real Property Negotiations Related to Community Multi-use Sports Field

Director O'Brien left at 2:35 p.m.

Chair Chong reconvened the Board meeting at 2:55 p.m. with reportable action taken by the Board.

- a. Cuvillo, et al. v. Cal Expo, et al.

Motion:

It was moved by Director Hime and seconded by Director Muller to amend the Free Speech Activities Guidelines. **All in favor, motion carried.**

- b. Personnel

Motion:

It was moved by Director Pelote and seconded by Director Hime to authorize CEO Pickering to make a settlement. **All in favor, motion carried.**

- c. Real Property Negotiations Related to Community Multi-use Sports Field

The Board has directed Staff to continue to update and move into the direction to get this settled with a workable solution.

The Board agrees to schedule a meeting on February 13, 2014 if the proposed agreement is finalized by Noon on February 3, 2014.

15. ADJOURNMENT

Motion:

It was moved by Director Hime and seconded by Director Pelote to adjourn the Board meeting. **All in favor, motion carried.**

The Board of Directors meeting was adjourned at 3:10 p.m.

CALIFORNIA EXPOSITION & STATE FAIR

Cal Expo Renewal Committee Meeting Minutes
Friday, January 31, 2014
11:00 a.m.

MINUTES

Committee Members Present:	Rex Hime, Chair Director David Mallel Director Patrick O'Brien
Committee Members Absent:	Director Mark Nelson
Other Board Members Present:	Chair Sonney Chong Director Rima Barkett Director Hallie Muller
Staff Present:	
Chief Executive Officer (CEO)	Rick Pickering
External Affairs Director	Sonya Logman
Director, Marketing and Public Relations	Michelle Prater
Assistant General Manager, Operations (AGM)	Marcia Shell
Financial Officer (FO)	Samantha Brown
Programs Manager	Carrie Wright
Recording Secretary	Linda Contreras
Others Present:	
Consultant	Norm Towne

Chair Hime called the meeting to order at 11:02 a.m. and dispensed with reading the Mission Statement and Public Comments Statement, as there were no members of the public in the audience.

Roll call was taken by CEO Pickering and a full quorum was present.

UNFINISHED BUSINESS

1. General Discussion of the Status of the Cal Expo Renewal Plan and Process

Director Nelson asked what the goal is. Do we want to or not want to sell part of the property? And is the answer, based on what happens with our legislation and where the funds go from the sale?

Chair Hime commented that he doesn't believe the Board has ever taken a position on whether this is what we are doing and what we are not doing. Chair Hime commented just doing a sale of property does not net the kind of revenues that the

Fair needs to be able to accomplish the renewal efforts that we need to have. The fairgrounds are almost 50 years old now and antiquated. It's time we got into the 21st century to be competitive in the area of scheduling events.

Chair Hime asked could a sale of some property be part of the overall plan, this is something that needs to be discussed. It is really important to present a plan of what we would like to do and what we are proposing to do and take that to the legislature, it would make it easier for them to understand why we want to make the legislative changes that we do.

Director O'Brien commented the goal needs to go up a level, what is the long term plan to sustain the State Fair as a traditional State Fair both in its current mode of operation and whatever the future holds.

Director Nelson thinks we need to step back and place a hold on the Plescia group until we have the Board's idea to give them direction.

Chair Hime agrees, we need to find out where is the plan, how much money have we expended, how much money do we have obligated, is there money we need to be paying back and how is it financed, etc. Chair Hime reported the Board had previously taken action for a Request for Qualifications/Request for Proposal.

CEO Pickering reported the Board at their November Strategic Planning of 2012 had voted to issue the Request for Qualifications but they wanted the RFQ modified because the RFQ was focused primarily on the 120 acres closest to the freeway. The motion was made to modify the RFQ to say proposals could be given on the 120 acres or anything greater, up to and including the entire property. As a State Agency, there is a legislative requirement that we must send a letter to the Senate and Assembly advising them of our intent.

CEO Pickering reported that the letter should state whether the Board would go through the Department of General Services process or the State Fair Leasing Authority process. Legislation was introduced to give us more freedoms from the State with one change that we would abide by and cooperate with Department of General Services.

CEO Pickering reported a recommendation was brought back to the Board in 2013 that we not issue the RFQ in advance of knowing what's happening on the Legislation and in advance of the 2013 160th Anniversary of the California State Fair, as not to confuse the public and media. The Board voted to hold off on issuing the RFQ until further discussions could be held.

CEO Pickering reported meetings were held with the City of Sacramento to discuss their General Plan Update and negotiate key language in their draft EIR, to include development opportunities at Cal Expo that would be identified and circulated in the draft EIR and become part of the City's updated general plan.

CEO Pickering reported that he has met with several potential developers interested in the Cal Expo property.

FO Brown reported the costs to Cal Expo over the course of considering various development concepts and ideas, is \$500,000. In addition, a loan was taken out in the amount of \$220,000 with Fairs & Expositions for consultants Andy Plescia and Gruen Gruen Associates.

CEO Pickering noted that the Board and Staff need to be prepared to address perceptions in the community, with elected officials and the media, when we make some type of announcement that we are looking for ideas to help us grow into the future and perpetuate a 22nd century State Fair.

Michelle Prater, Director, Marketing and Public Relations reported any opportunity there is to bring Cal Expo back to top of mind, as a relevant invaluable commodity, as oppose to a tired old property is a great value. Ms. Prater continued, we don't know the value of that and we don't know what type of potential business we could generate off of this opportunity. With that comes risk, both in perception and fiscally, however whatever message we take to the press and the community, they are going to interpret and make it what it is, and there again, there is also risks if opportunities don't come through and if we can't get something done. If Cal Expo makes a grand announcement but can't get it done in the State process, people will blame us.

External Affairs Director, Sonya Logman reported she was able to see a couple of different projects at the International Association of Fairs and Exhibitions Convention. There was a particular session that showed different projects and models that were near completion and their processes. She noted that we could perhaps learn from others.

Programs Director, Carrie Wright stated one of the important aspects is the inclusion of the community in soliciting ideas. We need to send the message that we are building for the future, not just looking to sell property.

Consultant Norm Towne remarked the discussion of possible major projects at Cal Expo has been going on for years and there has been no continuity. The decision needs to be made to do something.

Chair Chong noted that he will establish a two member sub-committee to meet with Staff in order to move forward to define a public input process and to provide their recommendations to the full Board.

ADJOURNMENT

The Cal Expo Renewal Committee meeting adjourned at 12:00 p.m.

CALIFORNIA EXPOSITION & STATE FAIR

Horse Racing Committee Meeting Minutes
Friday, January 31, 2014
10:00 a.m.

MINUTES

Committee Members Present:

David Mallel, Chair
Director Hallie Muller
Director Mark Nelson
Director Patrick O'Brien

Staff Present:

Chief Executive Officer (CEO)
External Affairs Director
Director, Marketing and Public Relations
Assistant General Manager, Operations (AGM)
Financial Officer (FO)
Programs Manager
Recording Secretary

Rick Pickering
Sonya Logman
Michelle Prater
Marcia Shell
Samantha Brown
Carrie Wright
Linda Contreras

Others Present:

Consultant

Norm Towne

Chair Mallel called the meeting to order at 10:10 a.m. and dispensed with reading the Mission Statement and Public Comments Statement, as there were no members of the public in the audience.

NEW BUSINESS

1. General Update on the Status of Horse Racing at Cal Expo
2. Potential of Adding a 3rd Week of Thoroughbred Racing to the 2015 Annual State Fair

CEO Pickering provided an update to the Committee on the Status of Horse Racing at Cal Expo. CEO Pickering distributed letters sent to the California Horse Racing Board and made part of the record. Copies for review are on file.

CEO Pickering reported Staff was approached by leaders in the California Horse Racing industry with a suggestion that California State Fair should be racing three weeks of Thoroughbred Racing rather than two weeks. Staff agrees, but we are sandwiched between Pleasanton and Santa Rosa. Pleasanton isn't likely to give up horse racing the 4th of July weekend and Santa Rosa may not be willing to move their fair a week or move the racing meet by one week.

CEO Pickering reported the California Authority of Racing Fairs supported the concept of the California State Fair having three weeks of racing.

The California Horse Racing Board established a sub-committee to meet with Cal Expo and all northern California Stakeholders (Golden Gate Fields, Racing Fairs, Thoroughbred Owners and Thoroughbred Trainers). In the course of the discussions the request from Santa Rosa was they could not adjust their dates for 2014. The focus became, leaving the 2014 calendars as status quo, but for 2015 California State Fair would have three weeks of racing. This was the sub-committee's recommendation.

CEO Pickering reported there is now opposition from the Thoroughbred Owners, Thoroughbred Trainers, Ferndale, Golden Gate Fields and Santa Rosa, all of which desire status quo in northern California.

At the December California Horse Racing Board Meeting, the Board voted unanimously to leave the 2014 calendar alone and that the 2015 California State Fair would have three weeks of live racing concurrent with the Fair.

CEO Pickering reported improvements of the backstretch barns are being completed to address the issues and to satisfy the requirements from the Fire Marshal.

CEO Pickering provided an update on the remodeling of the Satellite Wagering Facility Turf Club.

Chair Mallel asked would the Sacramento Mile continue if the 2015 California State Fair receives three weeks of racing.

CEO Pickering reported Staff is currently in discussions with the promoter of the Sacramento Mile to possibly move the Sacramento Mile outside of Fairtime. For decades the Sacramento Mile was not ran during the State Fair.

Chair Mallel asked for an update on the harness racing program.

CEO Pickering reported November was a difficult month but December and January actual had some days where the handle was over \$1,000,000. It was noted that Harness Racing in general was struggling for market share.

Motion:

It was moved by Director O'Brien and seconded by Director Nelson to recommend to the Board to request from the California Horse Racing Board three weeks of Thoroughbred Racing for the 2015 California State Fair. **All in favor, motion carried.**

ADJOURNMENT

The Horse Racing Committee meeting adjourned at 10:53 a.m.